



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

## Press Release

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### FOR IMMEDIATE RELEASE

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### **Attorney General McGraw Obtains Cancellation of \$6.6 Million in Credit Card Debt for 1,451 WV Consumers**

Attorney General Darrell McGraw announced today that his office entered a settlement agreement with Financial Credit Services ("FCS"), a debt purchaser based in Palatine, Illinois, that netted canceled debts of \$6,675,474.64 for 1,451 West Virginia consumers. According to FCS, the defaulted credit card accounts in question were originally owed to numerous main stream credit card banks, including Bank One, Citifinancial, Chase, GE Capital, Household, MNBA, and Providian.

The Attorney General commenced an investigation of FCS in January, 2007 after receiving consumer complaints disclosing that it was collecting debts in West Virginia without a license. The complaints also disclosed that FCS threatened to file suit and report debts to credit bureaus when it did not intend to take these actions. The Attorney General also alleged that FCS did not have any verifiable proof of the debts that it sought to collect other than computer spreadsheets.

In addition to relieving consumers of the alleged indebtedness, FCS also agreed to refund all payments it collected, \$2,481.00. The amount actually collected was likely small because FCS said it only contacted three per cent of the consumers.

"My office remains concerned about the debt purchasing industry, which typically purchases accounts for pennies on the dollar and rarely obtains any proof of the debt that would be admissible as evidence in a court. This practice is troublesome because state and federal laws require that collection agencies be able to verify a debt when disputed by consumers, an important obligation to consumers that debt purchasers can rarely meet. Notwithstanding our concerns, I commend FCS for granting this important relief to West Virginia consumers despite the fact that so few consumers were contacted," Attorney General McGraw stated.

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the consumer web page at [www.wvago.gov](http://www.wvago.gov).

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